



FOR IMMEDIATE RELEASE

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## **MAYOR JERRY SANDERS**

### **FACT SHEET**

# **RECOVERING REVENUE, REFORM SUCCESSES ERADICATE CITY'S LONGSTANDING STRUCTURAL BUDGET DEFICIT**

*Mayor announces restoration of some city services cut during recession*

Mayor Jerry Sanders today announced that, through the combination of money-saving reforms and a modest recovery of tax revenue, the city's longstanding structural deficit is effectively solved. The mayor has directed the chief operating officer to begin phasing in restoration of core services cut deeply during the recession in order to balance the budget.

"After years of cutbacks, we see the light at the end of what has been a very long and dark tunnel," Sanders said. "The city's decades-long structural budget deficit is history."

Sanders' announcement accompanied the release of the annual Midyear Budget Report, which projects a surplus of \$16.5 million over the approved budget for the fiscal year ending June 30. A portion of the surplus comes from revenues being higher than anticipated when the budget was completed in June.

This recovery of revenue from recessionary lows is expected to continue for the foreseeable future, warranting the targeted restoration of services in the police, fire, library and park departments. Plans for this spring the mayor announced on Thursday include:

- Increasing operating hours at all 35 branch libraries in the city by an additional four hours per week, bringing every library up to 40 hours per week.
- Adding five hours per week to operations at all of the city's 55 recreation centers.
- Adding 15 more cadets to the next police academy for a total of 35 cadets in the academy.
- Funding a new fire station alert system that connects the city's 47 fire stations with the dispatch center, to replace the badly outdated 20-year-old system.

- More -

The mayor said the city would also set aside some of the surplus in a reserve for emergency infrastructure projects.

In addition to rising revenues, the resolution of the structural budget deficit is a result of savings from reforms such as managed competition. To date, the annualized savings from the managed competition process for publishing services, fleet maintenance and street sweeping functions is \$6.5 million. This is on top of the annual savings of about \$40 million through the streamlining process known as Business Process Reengineering.

In addition, the city has reduced its costs by tens of millions of dollars over the past three years through a 6 percent, across-the-board cut to employee compensation; competitive bidding of IT services; and consolidation of departments.

“As Mayor, scaling back services and laying off employees is something we’ve done with great reluctance,” Sanders said. “But, as I’ve said many times before, this city must live within its means.

“Through reforms such as Managed Competition and BPR, we’re saving millions of dollars each year, and our reform to the retiree healthcare system will also save taxpayers hundreds of millions of dollars over the next couple decades.”

The mayor will present his proposed budget for FY2013 in mid-April.

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